

MAR 14 1997

APPROPRIATIONS

HOUSE FILE

632

BY FREVERT

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the state's reimbursement of local governments
2 for the value of the homestead tax credits allowed and
3 providing an applicability date provision.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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TR 032

1 Section 1. Section 8.59, Code 1997, is amended to read as
2 follows:

3 8.59 APPROPRIATIONS FREEZE.

4 Notwithstanding contrary provisions of the Code, the
5 amounts appropriated under the applicable sections of the Code
6 for fiscal years commencing on or after July 1, 1993, are
7 limited to those amounts expended under those sections for the
8 fiscal year commencing July 1, 1992. If an applicable section
9 appropriates moneys to be distributed to different recipients
10 and the operation of this section reduces the total amount to
11 be distributed under the applicable section, the moneys shall
12 be prorated among the recipients. As used in this section,
13 "applicable sections" means the following sections: 53.50,
14 229.35, 230.8, 230.11, 405A.8, 411.20, ~~425.17~~ 425.39, 426A.1,
15 663.44, and 822.5.

16 Sec. 2. APPLICABILITY. This Act applies to homestead tax
17 credits allowed for property taxes due and payable in fiscal
18 years beginning on or after July 1, 1997.

19 EXPLANATION

20 Code section 425.1 provides a standing unlimited
21 appropriation to reimburse local governments for the value of
22 the homestead tax credits. For the 1992-1993 fiscal year, the
23 general assembly notwithstanding that section and appropriated a
24 specific dollar amount which did not fully reimburse the local
25 governments. The general assembly froze, in Code section
26 8.59, for the 1993-1994 fiscal year and subsequent fiscal
27 years, the appropriation for reimbursement to local
28 governments at the 1992-1993 level. This bill eliminates the
29 freeze for homestead tax credit reimbursement and returns the
30 appropriation amount to a standing unlimited amount that will
31 fully reimburse local governments. The bill applies for
32 credits allowed for property taxes payable in fiscal years
33 beginning on or after July 1, 1997.

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